

TO: LINDA KETELLAPPAN, SFD-7-5
US EPA REGION IX SDMS DOCID 2181753
SUPERFUND DIVISION
75 HAWTHORNE ST. SAN FRANCISCO, CA 94105

Between 1997 and 2002, Fine Line (its stock now owned by Smiland Paint) manufactured house paints at the 12200 Property or the 12234 Property. It made a number of specific products, each having a different formula, and each product consisted of a number of materials. We are not able at this time to readily reconstruct all the substances stored, used, or disposed of during this period. But so-called "hot" solvents were not used in the paint products made during that period. During this period, Fine Line made paints borne in mineral spirits. We are unable to determine if it also made paints containing ethylene glycol. To the best of our knowledge, Fine Line did not use nor release xylene, perchloroethylene, freons, trichloroethylene, methylene chloride, I, I-DCE, trichloroethane, methylethylketone, toluene, benzene, or gasoline. At all such times Fine Line followed proper environmental procedures.

During the 1997-2002 period Fine Line may have employed Rios Chemical Disposal to dispose of hazardous waste. At no time during this period did Fine Line use degreasers, dry-cleaning chemicals, or refrigerants.

With this background, we turn to EPA's specific questions:

- (1) Robert M. Smiland
FOIA ex 6, Personal Privacy
President of Fine Line after 1997.
- (2) Fine Line never owned the 12200 Property.
- (3) Not applicable.
- (4) Fine Line vacated the 12234 Property in 2000 and the 12200 Property in 2002. It ceased conducting business thereafter. It has had no employees or assets for nearly five years.
- (5) Holst or his father or affiliate owned the 12200 Property and the 12234 Property. Fine Line did not own it, but leased it before and after 1997. Holst's last known address was in Seal Beach, California.
- (6) While Fine Line's stock was owned by Smiland Paint (after 1997), Fine Line conducted business operations at the 12234 Property and the 12200 Property until 2000 and at the 12200 Property until 2002.
- (7) See remarks above as to the pre-1997 period (on information and belief) and as to the 1997-2002 period. Many documents relating to Fine Line were lost or destroyed when Smiland Paint and its subsidiaries ceased business operations and discharged all employees.
- (8) See remarks above as to the pre-1997 period (on information and belief) and as to the 1997-2002 period.
- (9) As to the period before 1997, we do not have ready access to any existing documents reflecting knowledgeable employees of Fine Line. As to the period thereafter, neither Smiland Paint nor Fine Line has conducted operations or had employees for nearly five years. Many documents relating to former employees of Fine Line were lost or destroyed during that period. It is impracticable for us at this time to reconstruct the names, addresses, numbers, positions, and tenures of any employees who might have possessed knowledge about use and disposal of any hazardous substances at the 12200 Property.

Between 2002 and 2004 Fine Line was also liquidated. By 2004 it had no employees and no assets.

Thus, Fine Line currently has no ability to pay for or perform any cleanup of the Omega Chemical Superfund Site. In any event, we are not aware that Fine Line is a potentially responsible party for the cleanup of the site.

As to years prior to 1997, Fine Line understands, on information and belief, that either the 12200 Property or the 12234 Property may have experienced releases or disposals of hazardous substances. The information stated herein was acquired primarily during Smiland Paint's investigations prior to the 1997 acquisition.

At some time five underground storage tanks were installed at either the 12200 Property or the 12234 Property. On or about 1991 a leak of gasoline was discovered, and a site assessment began in 1992. Three groundwater monitoring wells were installed, two of which were surveyed in 1994. Groundwater collected from these wells was found to be impacted by certain chemicals such as trichloroethylene, although groundwater contamination was widespread in the area. In 1996 Fine Line completed a site remediation under the direction of the Los Angeles Regional Water Quality Control Board. The five tanks were closed and the three wells were destroyed. On February 14, 1997 the Board indicated that it could provide a comfort letter to Smiland Paint that Holst would be financially responsible for any potential groundwater contamination that may have existed. On February 17, 1997 such a letter was requested.

Prior to Holst's 1997 sale of his stock to Smiland Paint, Holst leased for about 15 years a small portion of the 12200 Property or the 12234 Property to Rios Chemical Disposal, Inc. for the parking of several trucks. Waste liquids were not transferred from one truck to another, and hazardous waste was not stored, on the leased premises.

We understand that at some unknown time or times releases of ethylene glycol and xylene were reported at the 12234 Property. We do not know how these releases were resolved.

Prior to the stock transfer Fine Line generated at either the 12200 Property or the 12234 Property the following hazardous wastes: acetone, benzene dicarboxylic acid, methyl ethyl ketone, butyl alcohol, mercury, and toluene. Methyl ethyl ketone was not used in Fine Line's manufacturing operations as of February 27, 1997.

During the 1950s and 1960s Fine Line may have disposed of hazardous wastes at Waste Disposal, Inc., located one-half mile southeast of its facility. Waste Disposal was designated as a superfund site prior to Smiland Paint's acquisition of Fine Line's stock. Smiland Paint contacted EPA's project coordinator and project manager prior to the acquisition. Of the contaminants identified at Waste Disposal, those most likely to have been used in past industrial operations at the 12234 Property were benzene and toluene. Fine Line has not been named as a potentially responsible property.

We understand that Omega Chemical Corporation operated between 1976 and 1994 a used solvent and refrigerant recycling and reformulation treatment facility, which handled chemicals used in refrigerator and freezer coils and chlorinated solvents that included degreasing and dry-cleaning chemicals. This facility, which is now the Omega Chemical Superfund Site, was about three miles northeast of Holst's properties. We have no knowledge suggesting that before 1997 Fine Line generated wastes of that type or disposed of its hazardous wastes at that site. It is not known where Fine Line disposed of hazardous waste between the 1960s and 1997.

May 7, 2008

Fine Line Paint Corporation ("Fine Line") answers herein the questions posed by the U.S. Environmental Protection Agency, Region IX ("EPA"), in EPA's letter to Fine Line, dated April 16, 2008 relating to the Omega Chemical Superfund Site. Initially, Fine Line provides some relevant background information. Then it answers the 13 specific questions asked by EPA.

As to years prior to 1997, Fine Line understands on information and belief that the property at 12200 Los Nietos, Santa Fe Springs (the "12200 Property") and the adjoining property at 12234 Los Nietos (the "12234 Property") had been owned since the 1950s by Arthur E. Holst, Jr. ("Holst") or his father or their affiliates. At some time during that period, Fine Line was incorporated and its stock was owned thereafter by Holst or his father to conduct a coatings manufacturing and distribution business at the 12200 Property and the 12234 Property. Holst or his father leased those two adjoined properties to Fine Line.

At all times between 1966 and 1997 Smiland Paint Company ("Smiland Paint") was a manufacturer and distributor of house paints in the Los Angeles area and a competitor of Fine Line. At no time during that period did Smiland Paint or its officers, directors, or subsidiaries have any other connection with Fine Line or the 12200 Property or the 12234 Property.

In or about late 1996 Smiland Paint entered into serious negotiations with Holst to buy the stock of Fine Line, after which Fine Line would lease the 12200 Property and the 12234 Property. Thereafter, Smiland Paint conducted certain investigations of Holst's company and properties. On or about February 28, 1997 Smiland Paint acquired from Holst the stock of Fine Line and Fine Line leased from Holst both the adjoining properties for five years, or until 2002.

During the next three years, Fine Line stored certain raw materials and manufactured certain products for Smiland Paint, and stored certain finished goods for Smiland Paint and another of its subsidiaries, at the two properties.

In or about 2000 the lease was amended, Fine Line surrendering to Holst the 12234 Property and continuing to occupy the 12200 Property.

Between approximately 2000 and 2002 Smiland Paint and its subsidiaries, including Fine Line, experienced increasing financial difficulties. The Fine Line brand was phased out, and operations at the 12200 Property were cut back. When the amended lease with Holst expired in 2002, Fine Line did not renew it and vacated the 12200 Property.

The financial difficulties of Smiland Paint and its subsidiaries continued. In 2003 Smiland Paint sold one of its two main operating divisions, and in 2004 it sold the other. It and its subsidiaries, including Fine Line, conducted no further manufacturing or distribution activities thereafter. They paid off all secured creditors, and discharged all employees. In 2004 unsecured creditors instituted bankruptcy proceedings against Smiland Paint. Since then Smiland Paint and its creditors have engaged in the orderly liquidation of Smiland Paint's assets. In 2007 the creditors made an agreement to sell Smiland Paint's remaining assets to a third person. Under a plan of reorganization approved by the bankruptcy court, the assets were sold on or about April 8, 2008 and Smiland Paint was dissolved on or about April 18, 2008.

(10) As to underground tanks, see above remarks. Between 1997 and 2002 there was one above-ground storage tank at the 12200 Property or 12234 Property. We believe it may have been used to store mineral spirits. We are aware of no leaks.

(11) As to the period before 1997, see the above detailed discussion. As to the period between 1997-2002, we are not aware of any releases.

(12) The corporate relationship between Fine Line and Smiland Paint is described in detail above. We have located a volume containing copies of the documents relating to the 1997 acquisition. Copies of any documents in that volume, if relevant, will be made available to EPA upon request.

(13) Spectrum Paint Corporation is the name of a buying cooperative of retail paint stores. Fine Line supplied these stores through Spectrum both before and after 1997.

Fine Line Paint Corporation

By:

 5.08.08

Robert M. Smiland

FOIA ex 6, Personal Privacy



FOIA ex 6, Personal Privacy

